



General Assembly

February Session, 2002

***Raised Bill No. 399***

LCO No. 1368

Referred to Committee on Transportation

Introduced by:  
(TRA)

***AN ACT CONCERNING DISCLOSURES IN THE SALE OF SALVAGED MOTOR VEHICLES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 14-16c of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2002*):

3 (a) (1) Any insurance company which takes possession of a motor  
4 vehicle for which a certificate of title has been issued in this state or in  
5 any other state, that has been declared a total loss [, in] and that is  
6 offered for sale by such insurance company or its agent as a result of  
7 the settlement of a claim for damage or theft, shall stamp the word  
8 "SALVAGE" in one-inch-high letters not to exceed three inches in  
9 length on the vehicle's certificate of title and shall attach to such  
10 certificate of title a copy of the appraiser's damage report used for the  
11 calculation of the total damage or of the settlement amount for such  
12 totalled motor vehicle, except that if the insurance company  
13 determines that such motor vehicle has ten or more major component  
14 parts which are damaged beyond repair and must be replaced, the  
15 insurance company shall stamp the words "SALVAGE PARTS ONLY"  
16 in one-inch-high letters not to exceed three inches in length on the

17 vehicle's certificate of title. A copy of such certificate shall be sent by  
18 the insurance company to the Department of Motor Vehicles.

19 (2) Any person, firm or corporation which is a self-insurer and owns  
20 a motor vehicle for which a certificate of title has been issued in this  
21 state or in any other state, that has been declared a total loss and that is  
22 offered for sale by such self-insurer or its agent, shall stamp the word  
23 "SALVAGE" in one-inch-high letters not to exceed three inches in  
24 length on the vehicle's certificate of title and shall attach to such  
25 certificate of title a copy of the appraiser's damage report used for the  
26 calculation of the total damage or of the settlement amount for such  
27 totalled motor vehicle, except that if such self-insurer determines that  
28 such motor vehicle has ten or more major component parts which are  
29 damaged beyond repair and must be replaced, the self-insurer shall  
30 stamp the words "SALVAGE PARTS ONLY" in one-inch-high letters  
31 not to exceed three inches in length on the motor vehicle's certificate of  
32 title. Any person, firm or corporation which is insured other than by  
33 means of self-insurance and owns such a motor vehicle, shall forward  
34 the vehicle's certificate of title to the company insuring such vehicle or  
35 the company paying the totalled claim. Such insurer shall stamp the  
36 word "SALVAGE" in one-inch-high letters not to exceed three inches in  
37 length on the certificate of title except that if the insurance company  
38 determines that such motor vehicle has ten or more major component  
39 parts which are damaged beyond repair and must be replaced, the  
40 insurer taking possession of such motor vehicle shall stamp the words  
41 "SALVAGE PARTS ONLY" in one-inch-high letters not to exceed three  
42 inches in length on the motor vehicle's certificate of title and shall  
43 return such certificate to such person, firm or corporation. A copy of  
44 such certificate shall be sent by the person, firm or corporation to the  
45 Department of Motor Vehicles.

46 (3) For purposes of this subsection, "major component part" shall  
47 have the same meaning as provided in subdivision (2) of subsection (a)  
48 of section 14-149a.

49 (b) Any insurance company taking possession of a motor vehicle in  
50 accordance with subsection (a) of this section or any person, firm or  
51 corporation which owns such motor vehicle shall copy the stamped  
52 certificate and give the original of such certificate, with a copy of the  
53 appraiser's damage report used for the calculation of the damage or  
54 settlement attached to it, to any subsequent purchaser of the motor  
55 vehicle that has been declared a total loss. The name and address of  
56 any such purchaser must be recorded on the reverse side of the  
57 original and the copy. The copy shall serve only as a record of transfers  
58 of the total loss motor vehicle.

59 (c) The person, firm, company or corporation required to stamp  
60 "SALVAGE" on the certificate of title shall stamp the following  
61 statement on the face of any original or copy of such certificate issued  
62 in accordance with this section: "WARNING: ALL PURCHASERS OF  
63 THE MOTOR VEHICLE DESCRIBED HEREIN MUST RECORD  
64 THEIR NAME AND ADDRESS ON THE REVERSE SIDE. THIS  
65 VEHICLE CANNOT BE REGISTERED OR RETITLED WITHOUT  
66 PASSING INSPECTION UNDER SECTION 14-103a. THIS  
67 DOCUMENT MUST BE SUBMITTED AT THE TIME OF  
68 INSPECTION."

69 (d) No motor vehicle for which a copy has been made in accordance  
70 with this section may be operated upon any highway in this state,  
71 except that an owner of any such motor vehicle who is a motor vehicle  
72 dealer or repairer licensed under the provisions of section 14-52 may  
73 operate such vehicle for the purpose of presenting the vehicle for  
74 inspection pursuant to section 14-103a. If such vehicle fails to comply  
75 with the minimum standards, it shall be transported from the site of  
76 such inspection. If any such motor vehicle is rebuilt for sale or use, the  
77 owner shall apply to the Commissioner of Motor Vehicles for an  
78 original certificate of title and present the vehicle for inspection  
79 pursuant to section 14-103a. The certificate of title issued in accordance  
80 with this section must be presented at the time of inspection, unless  
81 waived by the commissioner for good cause.

82 (e) Notwithstanding the provisions of this section, a motor vehicle  
 83 for which a certificate of title has been issued in this state, that has been  
 84 declared a total loss in settlement of a claim for theft, having no  
 85 damage to a major component part or having damage not exceeding  
 86 (1) fifteen per cent of the retail value of such motor vehicle, as  
 87 determined in accordance with the provisions of section 38a-353, or (2)  
 88 one thousand dollars as evidenced by an insurance adjuster's damage  
 89 appraisal report, shall not be required to have its certificate of title  
 90 stamped in accordance with the provisions of this section provided  
 91 proof of such damage or lack of damage to a major component part, is  
 92 attached to such certificate.

93 (f) No insurance company and no firm or corporation which is a  
 94 self-insurer may sell or transfer any totalled or salvaged motor vehicle,  
 95 major component parts or any other parts of a motor vehicle to any  
 96 person, firm or corporation which is not licensed under the provisions  
 97 of subparts (D) or (H) of part III of this chapter. No person, firm or  
 98 corporation licensed as a new or used car dealer who holds a permit  
 99 pursuant to the provisions of section 14-65 may sell or transfer any  
 100 totalled or salvaged motor vehicle with a certificate of title stamped  
 101 "SALVAGE PARTS ONLY" or any motor vehicle which has ten or  
 102 more major component parts damaged beyond repair and in need of  
 103 replacement to any person, firm or corporation which is not licensed  
 104 under the provisions of subpart (H) of part III of this chapter or under  
 105 a similar provision of law of any other state. Any sale or transfer in  
 106 violation of the provisions of this section shall constitute an unfair  
 107 method of competition and an unfair or deceptive act or practice, as  
 108 defined by section 42-110b.

109 (g) The Commissioner of Motor Vehicles shall adopt regulations, in  
 110 accordance with the provisions of chapter 54 to implement the  
 111 provisions of this section.

This act shall take effect as follows:	
Section 1	October 1, 2002

***Statement of Purpose:***

To require insurance companies and self-insurers to attach the appraiser's damage report when offering certain salvaged motor vehicles for sale.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*